GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3671
ANSWERED ON:08.08.2016
Merchandise Export from India Scheme
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has recently started "Merchandise Export from India Scheme (MEIS)";

(b) if so, the details thereof along with the salient features of this scheme; and

(c) the manner in which the said scheme is likely to help in growing merchandise exports from the country particularly to Europe, the United States of America and Africa?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) & (b) The Government of India has introduced Merchandise Exports from India Scheme (MEIS) through the Foreign Trade Policy (FTP) 2015-20 w.e.f. April 1, 2015. It seeks to promote export of notified goods manufactured/ produced in India. MEIS is a major export promotion scheme of GOI implemented by the Ministry of Commerce and Industry. Details of the scheme are available at the website of the Directorate General of Foreign Trade at http://dgft@gov.in. Salient features of MEIS are as under :
i) MEIS is result of major consolidation and simplification:

Earlier there were 5 different schemes for rewarding merchandise exports with different kinds of duty scrips with varying conditions attached to their use. Now all these schemes have been merged into a single scheme, namely Merchandise Exports from India Scheme (MEIS).
ii) MEIS incentive Rates :
Rewards under MEIS are payable as a percentage (2, 3 or 5%) of realized FOB value of covered exports, by way of the MEIS duty credit scrip. The scrip can be transferred or used for payment of a number of duties/taxes including the customs / excise duty / service tax. Scrips and inputs imported under the scrips are fully transferable. This has provided much flexibility to exporters. Earlier schemes had many conditions attached with the scrips about their usage and importability of items.
iii) Allocation and Product Coverage:
At the time of introduction on April 1, 2015, MEIS covered 4914 tariff lines. The product and market coverage was worked out keeping in view the annual allocation of Rs 18000 Crore by Department of Revenue. In light of the major challenges being faced by Indian exporters in the backdrop of the global economic slowdown, Department of Commerce introduced increased support for export of various products and included some additional items under the Merchandise Exports from India Scheme (MEIS) through Public Notice 44 issued on 29th October, 2015. MEIS currently incentives total 5012 tariff lines. This enhanced the estimated allocation to Rs. 21,000 Crore. Thereafter, as a measure of ease of doing business and to reduce transaction cost, the requirement of landing certificate for claiming MEIS has been dispensed with by giving global coverage to 2787 lines which did not have such coverage earlier, vide Public Notice No. 6/2015-20 dated 4.5.2016, which raised the envisaged allocation to Rs. 22000/- Crore per annum.

iv) Duty credit scrips are freely transferable and usable for payment of custom duty, excise duty and service tax
All scrips issued under MEIS and the goods imported against these scrips fully transferable.

v) Incentives to be available for SEZs
Incentives under MEIS are available to units located in SEZs also.

(c) The reward/incentives provided by the Government makes the exporters competitive in the international market including Europe, The United States of America and Africa. These three markets are covered under the scheme for all notified 5012 tariff lines.
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